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NSC BRIEFING

11 March 1954

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SOVIET DECREE INDICTS AGRICULTURAL FAILURES AND  
ATTACKS LAGGING GRAIN PRODUCTION

- I. Major points in the 2 March Land Reclamation decree of the Soviet Party Central Committee.
  - A. The initial results of Soviet agricultural program begun last August are sharply criticized.
  - B. In attacking inadequate grain production for the first time, the decree reverses the earlier position of Malenkov and Khrushchev who last autumn expressed satisfaction with Soviet grain production and treated it as the only sector of Soviet agriculture which was above criticism.
- II. The decree specifies the following failures of the general agricultural program.
  - A. Livestock breeding is lagging, supplies of fodder are even below those of 1952, and herds are now lower than in 1940.

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- B. Inadequate production of agricultural machinery in 1953 has caused shortages of mechanized equipment for agriculture.
  - C. The State Planning Commission, headed by Deputy Minister Saburov, which had formerly escaped the rising barrage of criticism of economic ministries, was singled out for censure for misguiding agricultural production.
- III. The decree further notes failures in grain production.
- A. Grain yields are deficient and grain acreages, because of mismanagement, have fallen below the 1940 level.
  - B. Grain production has failed to keep pace either with the requirements of the expanding population or with "growing export needs."
- IV. Grain failures are reflected in the shifting Soviet trade pattern.
- A. Grain exports, traditionally the most dependable

Soviet foreign exchange earner, fell sharply in the

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past year but are counted upon to play a major role in the projected expansion of Soviet trade with the West.

- B. For example, the value of Soviet 1953 grain exports to the United Kingdom, its largest Western customer, fell to roughly \$10,000,000 from the 1952 total of approximately \$100,000,000. The USSR has substituted gold for wheat in its export pattern with the UK.
- C. Similar but smaller declines have been noted in Soviet grain exports to other Western countries.

V. Remedies proposed by the decree.

- A. In the next two years, more than 30,000,000 acres of marginal land in Kazakstan and in the Urals-Volga region are to be put into production.
- B. The government plans to dispatch this year 100,000 new workers to the lands to be reclaimed in addition to technicians who are to be diverted from established Machine Tractor Stations and from industry.

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C. Despite these measures, unfavorable soil and climate conditions in the areas to be reclaimed limit the prospects of success.

## VI. Implications

- A. The candid revelations of the new decree provide further indications that Soviet agricultural progress is falling far short of Soviet expectations and threatens the success of the entire consumer goods program.
- B. The new emphasis on grain production reflects Soviet difficulty in supplying sufficient alternative exports to finance a large-scale increase in imports.
- C. This decree's criticism of the State Planning Commission may reflect on its chairman, Saburov, thought to be a protege of Malenkov. However, the scope of the criticism also includes Party responsibility for agricultural failures.

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11 March 1954

SOVIET DECREE INDICTS AGRICULTURAL  
FAILURES AND ATTACKS LAGGING  
GRAIN PRODUCTION

I. Major points in 2 March decree.

- A. Criticism of new agricultural program.
- B. First attack on inadequate grain production.
  - 1. Reverses Malenkov and Khrushchev position of last fall.

II. Decree lists failings of general agricultural program.

- A. Livestock and fodder program lagging.
- B. Industry fails to produce sufficient agricultural equipment.
- C. State Planning Commission censured for misguiding agricultural pro-

duction.

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III. Decree specifies failures in grain production.

- A. Yields are deficient and acreages less than in 1940.
- B. Production behind requirements of population and "growing export needs."

IV. Grain deficiency reflected in shifting Soviet trade pattern.

- A. Grain exports fell sharply in 1953.
  - 1. Shipments to UK only 10 percent of 1952 but USSR substitutes large gold sales.
- B. Export of grain counted upon to play major role in a projected Soviet trade expansion with the West.

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V. Remedies proposed by decree.

- A. Planting of over 30,000,000 acres of marginal land in next two years.
- B. Transfer of technicians and at least 100,000 laborers to new lands this year.
- C. But success of these measures limited by unfavorable soil and climate conditions.

VI. Implications

- A. Disappointing progress of agricultural program threatens entire consumer goods program.
- B. New emphasis on grain production indicates difficulty in supplying alternative exports to finance increased imports.

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C. Criticism directed both at  
Gosplan, headed by Saburov,  
considered Malenkov protege,  
and party mechanism, headed by  
First Secretary Khrushchev.

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